# COMMITTEE LANGUAGE FOR FISCAL YEAR 1997

## E-2C (EARLY WARNING) HAWKEYE
## ACCOUNT: APN

| PRESBUD | HNSC | SASC | CASC | HAC | SAC | CAC |
|---|---|---|---|---|---|---|
| 127,502 | 201,502 | 266,502 | 266,502 | 282,502 | 282,502 | 282,502 |

## E-2C (EARLY WARNING) HAWKEYE (AP-CY)
## ACCOUNT: APN

| PRESBUD | HNSC | SASC | CASC | HAC | SAC | CAC |
|---|---|---|---|---|---|---|
| 20,973 | 20,973 | 20,973 | 20,973 | 20,973 | 20,973 | 20,973 |

## E-2 SERIES
## ACCOUNT: APN

| PRESBUD | HNSC | SASC | CASC | HAC | SAC | CAC |
|---|---|---|---|---|---|---|
| 23,143 | 23,143 | 23,143 | 23,143 | 27,943 | 23,143 | 27,943 |

## E-2 SQUADRONS
## ACCOUNT: RDT&E

| PRESBUD | HNSC | SASC | CASC | HAC | SAC | CAC |
|---|---|---|---|---|---|---|
| 65,025 | 65,025 | 65,025 | 65,025 | 65,025 | 65,025 | 65,025 |

**SASC LANGUAGE (Rpt. 104-267)**

(Page 60)
*Restoration of E-2C procurement*

The E-2C aircraft is a carrier-based aircraft designed for early warning, interceptor and strike control, as well as other missions. The Navy resumed production in fiscal year 1995, with the intent of purchasing four aircraft per year for a total of 36 aircraft. That planned acquisition rate of E-2Cs has been reduced from four aircraft to two in the budget request for fiscal year 1997. The committee understands that procuring two more E-2C aircraft, which are already in production at the previously programmed rate, would lead to a savings of $13.2 million per aircraft. Accordingly, the committee recommends an increase of $139.0 million to acquire a total of four E-2C aircraft in fiscal year 1997.

(Page 191-192)
*Cruise missile defense funding*

Section 274 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) directs the Secretary of Defense to strengthen and coordinate the Department's cruise missile defense programs and activities. Public Law 104-106 also provides significant increases in funding for this effort.

For fiscal year 1997, the committee recommends a continuation of this effort and a net increase of $170.0 million for this purpose. None of these funds may be obligated, however, until the committee receives the implementation plan specified in section 274 (Public Law 104-106). For fiscal year 1997, the committee recommends four programmatic initiatives.

First, to enhance the ability of United States forces to detect rapidly the launch of cruise missiles across the breadth and width of the battlefield, the committee recommends an increase in funding to transition surveillance technology developed by the Defense Advanced Research Projects Agency (DARPA) to aerostats and the Airborne Warning Command and Control System (AWACS). To begin a program to modify four-to-five AWACS aircraft by fiscal year 2000, the committee recommends an increase of $30.0 million in PE 63226E and $30.0 million in PE 27417F. Since Aerostats are not as far along in the development cycle and require that DARPA's technologies undergo more significant modifications to be hosted on them, the committee recommends a measured risk reduction effort prior to a development program.

The committee notes that the Department of Defense is considering upgrades to the E-2C aircraft in a manner similar to AWACS to support the Navy. Given the challenge associated with accommodating such a sensor on the E-2C, the committee directs the Secretary of Defense to provide Congress a report on the technical, engineering, operational, and programmatic issues associated with this effort. The report should include an analysis of alternative solutions based on the same criteria used to evaluate the E-2C. The report should recommend a solution that has an acceptable degree of risk in terms of cost, schedule, and performance. The report should be provided to Congress not later than March 1, 1997.

The committee also urges DARPA, in collaboration with the Air Force, to evaluate innovative airborne sensor platforms that could offer significant gains in power-aperture at airplane altitudes and speeds, including flying-wing designs.

The second initiative supported by the committee would ensure that we have adequate fire control and identification once cruise missiles are detected. The committee believes that improvements to the Joint Surveillance Target Attack Radar System (JSTARS) are promising. These improvements will allow JSTARS to identify and track cruise missiles with sufficient accuracy to vector air-to-air and surface-to-air missiles, among other capabilities. The committee recommends an increase of $40.0 million for this effort ($20.0 million in PE 63226E and $20.0 million in PE 64770F). This effort should produce four to five upgraded aircraft by fiscal year 2003. The additional funds should be equally divided between efforts to insert DARPA's sensor technology and efforts to add synthetic aperture radar technology for imaging and geolocation.

The third initiative supported by the committee would ensure that our inventory of air-to-air and surface-to-air missiles are capable of intercepting cruise missiles. The committee recommends an increase of $30.0 million ($10.0 in PE 63746N, $10.0 million in PE 63009A, and $10.0 million in PE 27163F) to address this issue. The committee also recommends an increase of $40.0 million in PE 23801A to complete the development of the Patriot anti-cruise missile program, which was started in fiscal year 1996.

**CASC LANGUAGE (Rpt. 104-724)**

(Page 501)
*E-2C airborne early warning aircraft*

The budget request included $169.2 million for procurement of two E-2C early warning aircraft.

The House bill would increase the requested amount by $74.0 million to purchase one additional aircraft.

The Senate amendment would increase the requested amount by $139.0 million for two additional aircraft.

The Navy resumed production in fiscal year 1995 of the E-2C, with the intent of purchasing four aircraft per year for a total of 36 aircraft. That planned acquisition rate has been reduced from four aircraft to two in the budget request for fiscal year 1997. The conferees understand that procuring two more E-2C aircraft would lead to a savings of $13.2 million per aircraft.

Accordingly, the conferees recommend an increase of $139.0 million to acquire a total of four E-2C aircraft in fiscal year 1997.

**HAC LANGUAGE (Rpt. 104-617)**

(Pages 11-12)

Joint command, control, communications and intelligence (C3I):
In fiscal year 1996, the Committee provided additional funds to correct communications interoperability deficiencies identified by DoD and improve battlefield awareness. This year, the Committee again heard testimony from the Service Chiefs and the Commander in Chiefs from the various Unified and Specified Commands who described deficiencies in command, control, communications systems and tactical collection systems. Therefore, the Committee has recommended an additional $844 million to develop, deploy, improve and evaluate programs targeted at better battlefield situational awareness; improve communications capabilities; and finally, to improve the integrity of information systems from exploitation, corruption, and destruction. The Committee recommends increases in the following programs:

Battlefield Situational Awareness improvements:

| | |
|---|---|
| Force XXI. | +$50,000,000 |
| Guardrail Common sensor | +10,000,000 |

| | |
|---|---|
| ARL-Moving Target Indicator | +5,000,000 |
| Tactical Command System | +3,000,000 |
| Commandant's Warfighting Laboratory | +40,000,000 |
| AWACS (TIBS) | +11,900,000 |
| Airborne Command and Control (TIBS) | +4,100,000 |
| Global Positioning System (Space) | +10,100,000 |
| RIVET JOINT (aircraft and reengining) | +322,000,000 |
| COMBAT SENT | +6,000,000 |
| U-2 Aircraft | +5,000,000 |
| Predator | +50,000,000 |
| Darkstar UAV | +42,500,000 |
| E-2C AEW Aircraft | +155,000,000 |
| Subtotal | $714,600,000 |
| Communications improvements: | |
| Trojan Spirit | +2,600,000 |
| Commanders Tactical Terminals | +5,000,000 |
| SATCOM Radios (E-2C) | +4,800,000 |
| Marine Corps (GCCS) | +27,000,000 |
| Deployable communications (Marine Corps) | +1,700,000 |
| SATCOM Terminals (Air Force) | +21,200,000 |
| JTIDS Commonality (Air Force) | +19,800,000 |
| Milstar | +20,000,000 |
| DSCS Upgrade | +6,400,000 |
| Subtotal | +84,200,000 |

(Page 13)

The Committee has emphasized a similar approach in this bill. This gets essential equipment out to the field faster, and at ultimately less cost to the taxpayer. The following table displays selected examples where the Committee has added funds over the request for programs identified on service shortfall lists or which are currently budgeted for production in fiscal year 1998 or beyond, and the estimated outyear cost avoidance which results from funding these items now rather than later.

[In millions of dollars]

| Program | Proposed 1997 increase | Cost Avoidance (1998 and beyond) |
|---|---|---|
| C-17 Airlift Aircraft | 375 | 805 |
| LMSR Sealift Ships | 611 | 661 |
| F-15 Tactical Fighters | 319 | 547 |

| | | | | |
|---|---|---|---|---|
| MPF-E Maritime Prepositioning Ships | | 250 | | 250 |
| E-2C Early Warning Aircraft | | 155 | | 187 |
| Javelin Missile (MYP) | 34 | | 140 | |
| ATACMS (MYP) | | 69 | | 132 |
| P-3 Surveillance Aircraft | | 87 | | 174 |
| AV-8B Fighter | | 68 | | 122 |
| Armored Combat Earthmover | 100 | | 113 | |
| TAGS Ship | | 54 | | 67 |
| | | | | |
| Total | | $2,122 | | $3,198 |

(Page 95)
*E-2C HAWKEYE*

The Navy requested $127,502,000 to procure 2 E-2C aircraft. The Committee recommends $282,502,000 for 4 aircraft, an increase of $155,000,000. This recommendation stabilizes the production line at the planned 4 per year annual rate while providing unit cost savings of about $8,000,000 per aircraft compared to the budget request.

(Page 96)
*E-2 SERIES*

The Navy requested $23,143,000 for E-2C modifications. The Committee recommends $27,943,000, an increase of $4,800,000 only for procurement of 24 additional SATCOM radios. The Committee has learned that E-2Cs deployed to the Bosnia area of responsibility (AOR) are required to have a SATCOM capability. There are currently only six radios available to support this requirement, and these radios have not left the Bosnia AOR except for repair since January 1993. The Committee further understands that by the end of fiscal year 1997, the Navy will have less than 10 radios to share among the rest of the E-2C fleet. The additional 24 radios will provide much needed connectivity for 6 squadrons.

(Page 105)
*Other Warships*
*DDG-51*

The Navy requested $3,374,693,000 to procure 4 DDG-51 Aegis ships. The Committee is concerned about continued turbulence in the Navy's DDG-51 Aegis destroyer construction program which originated in the Office of the Secretary of Defense decision over a year ago to remove ships from the Navy's recommended funding profile in fiscal years 1996 and 1998. Rather than sustaining the Navy's recommended stable construction profile of 3 ships per year, the Administration proposes to double the quanitty of DDG-51 ships compared to last year, but then ramp the program down again in fiscal year 1998. With only 2 ships planned for construction in fiscal year 1998, the Committee is concerned

about the inherent cost penalties associated with the Administration's current 2-4-2 construction plan for fiscal years 1996 to 1998. The Committee also expresses a cautionary note regarding informal proposals to provide authority in fiscal year 1997 for a multiyear procurement of the DDG-51 program, involving a total of 12 ships over the period of fiscal years 1998-2001. While the Committee as a rule is supportive of multiyear contracting, these particular proposals are of concern for a number of reasons. First, a DDG-51 multiyear proposal has not been formally submitted by the Department of Defense and the Committee understands that current outyear budgets do not fully fund such a program, a statutory requirement for multiyear contracting. As a four year DDG-51 multiyear would require making a firm fiscal and contractual commitment of $12 billion, the Committee believes such a proposal must have the approval of, and be proposed by, the Secretary of Defense. Second, the Committee believes there are other multiyear contracting candidates available to the Navy which, for the commitment of fewer dollars, offer considerable benefits in terms of savings and program stability. These include the V-22 aircraft program, about which the Commandant of the Marine Corps has testified that if it were produced at more efficient production rates than currently budgeted, up to $8 billion in savings could accrue. Similarly, a modest investment for multiyear procurement of AV-8B, T-45, and E-2C aircraft would stabilize three production lines simultaneously while perhaps allowing a larger return on investment. Of greatest concern, however, is the effect a DDG-51 multiyear could have on an already underfunded Navy and Marine Corps shipbuilding program. "Locking in" $12 billion of scarce shipbuilding funds for the DDG-51 over the next four years can only serve to complicate Navy efforts to resolve existing budget shortfalls associated with the next aircraft carrier, the New Attack Submarine program, and the LPD-17 amphibious ship. In the absence of a formal analysis of these and other budget alternatives by the Secretary of Defense, the Committee believes consideration of either increased DDG-51 production or a DDG-51 multiyear is premature at this time. The Committee therefore recommends $2,624,693,000, a reduction of $750,000,000 to mitigate the proposed one-time production spike in the destroyer program. The Committee invites the Secretary of Defense to submit funding for a stable DDG-51 construction program in the fiscal year 1998 budget request to Congress.

(Page 148-149)
*CRUISE MISSILE DEFENSE*

The Committee expressed its concern about the inadequacy of Department of Defense cruise missile defense programs in fiscal year 1992, long before the topic became popular. The need for cruise missile defense is now more widely accepted. Department of Defense witnesses at the highest levels testified to the Committee again this year on the effectiveness of the continuing financial investment in cooperative engagement, about which Secretary Perry described as "the biggest breakthrough in warfare technology since stealth". The Department's growing concern is defense against land-attack cruise missiles and the ability of third world nations to quickly acquire them, apply stealth technologies to them, and deliver warheads of mass destruction. The Department is addressing the priority and focus of cruise missile defense programs, and proposing new initiatives such as the supposedly joint service aerostat acquisition program. In the absence of a joint

service architecture, however, the Department is building a house without a blueprint. The Committee is concerned that each of the services and DARPA is moving out on its own unique "go it alone" plan rather than building systems which are optimized to meet the needs of theater commanders in joint service operations. For example, while the Office of the Secretary of Defense (OSD) touts the merits of DARPA-developed advanced sensors, the leadership of DARPA is actively curtailing the Agency's involvement in advanced sensor work supporting this program. The most pressing immediate issue requires resolution by OSD and the JCS Joint Requirements Oversight Council: whether cooperative engagement or the Joint Tactical Information Distribution Systems (JTIDS) will be the primary means of linking the individual service sensor and shooter systems together to provide theater commanders with integrated, seamless cruise missile defense. The Committee understands that JTIDS provides a limited capability for Army missiles and Air Force fighter aircraft to potentially acquire a small number of cruise missiles once detected by airborne sensors (such as E-2C, E-3A, or aerostats), but that JTIDS systems are overwhelmed by large size raids. Only the cooperative engagement system can meet mission requirements. CEC offers other advantages over JTIDS, such as reliable, realtime track of all friendly and enemy air targets. The Committee is very disappointed in the JROC's failure to resolve this long-standing technical issue, which in terms of its importance and joint-source nature is a core oversight requirement that is at the heart of the organization's purpose. The Committee again directs the Secretary of Defense to develop a joint service cruise missile defense architecture for a capability that is fully integrated with theater ballistic missile defense for theater air defense missions. It should include broad area defense through a layered system consisting of an outer layer of fighter aircraft with air-to-air weapons, a mid-layer composed of existing surface-to-air missiles which can shoot over the horizon when supported by advanced airborne sensors, and an inner self-defense layer composed of surface-to-air weapons using organic ground based sensors. DoD must take advantage of the large investment in existing air defense systems and those under development by the Ballistic Missile Defense Organization. To be robust against large numbers of cruise missiles, joint service land attack cruise missile defense capability must be able to take advantage of high quality sensor data and fire control/weapons information among multiple units to permit engagement decisions to be automated, in real time, across the entire joint force. Effective networking of airborne and surface sensors is essential to provide fire control quality data to the shooter and continuously track all aircraft and missiles to allow identification based on point of origin, target and flight parameters, and identification sensor requirements. Of key importance, as threat enemy cruise missiles move into the low observable regime, measurements from many sensors will be necessary just to maintain continuous track of a target. In order to achieve this level of performance, the joint service network must be able to exchange large quantities of sensor data in jamming environments with extremely high reliability and with very low latency. Only the cooperative engagement system has demonstrated an ability to meet these multiple demanding requirements. The Committee directs the Secretary of Defense to submit a detailed joint service cruise missile defense master plan addressing these concerns to the congressional defense committees concurrent with submission of the fiscal year 1998 President's Budget. The Committee further directs the Chairman of the Joint Chiefs of Staff to include in this plan a detailed description of the joint service cruise

missile defense architecture and specifically how the CEC/JTIDS issue has been resolved. The master plan should identify every cruise missile defense program for which funding is sought in fiscal year 1998, and include a classified appendix if necessary. The Department should minimize expenditures for acquisition of new start upgrades to existing systems (such as E-2C or E-3A) or initiation of new systems until a comprehensive architecture has been developed and a master plan submitted to the Congress.